Amendment to Central Sales Tax Act, 1956

674. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are considering to amend the Central Sales Tax Act, 1956, to resolve the Inter-State disputes and avoid imposition of double burden of tax on Assesses; and

(b) if so, what are the salient features of the proposed amendments?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHRIPAD YESSO NAIK): (a) and (b) Yes, Sir. There is a proposal to amend Sections 19, 20, 21, 22, 25 and 26 of the Central Sales Tax Act, 1956.

Expert Panel on Companies Act

675. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Expert Panel on the Companies Act and the Partnership Act suggested for creation of a separate category of companies, to be called as 'small private companies' and also suggested to exempt them from compliance with the general company law provisions;

(b) if so, the details of the major recommendations, apart from the above made by the expert panel;

(c) whether there is any provision in the proposed new category of companies with regard to closure of defunct companies; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH): (a) Yes, Sir.

(b) Major recommendations made by "The Committee on Regulation of Private Companies and Partnerships" include:

(i) creation of a new category of companies namely "small private company" which should be exempted, with certain safeguards, from several procedural provisions of the Companies Act, 1956;

(ii) establishing a framework for Limited Liability Partnerships (LLPs);

(iii) amending Indian Partnership Act, 1932;

(iv) amending the provisions of the Companies Act, 1956 to, *inter-alia*, provide for giving more freedom regarding fixing managerial remuneration; rationalising provisions relating to disclosures about directors' remuneration in the Directors' Report; and ensuring that regulatory regime applicable to public deposits is same that of secured debentures.

(c) and (d) The Committee has recommended that a simplified and quick exit scheme for companies should be introduced by making necessary amendments to section 560 of the Companies Act, 1956 suggesting that this procedure should not take more than 120 days.

Japanese aid

676. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that India is likely to become primary recipient of Japanese aid this year as Japan has slashed its aid to China owing to latter's huge spending on arms, space and own aid programmes;

(b) if so, the details thereof;

(c) whether India anticipate same treatment owing to its expenditure on space ventures like putting a man in space and arms increase; and

(d) if so, the alternative source of foreign aid in case of any need?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) The amount of Japanese official development assistance to India for FY 2003-04 has not yet been announced by Government of Japan.

SEBI's clarification on investment limits

677. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether as per the SEBI's clarification on investment limits for mutual funds schemes, investments in Government guaranteed debt securities will be applicable to all debts securities issued by public bodies or institutions such as Electricity Board, Municipal Corporation, State